

United States Department of the Interior

3/01/052

BUREAU OF LAND MANAGEMENT

Cedar City Field Office 176 East DL Sargent Drive Cedar City, Utah 84720 DOGM Processed This on 5/3/00.

In Reply Refer To: UT-040 3809: UTU-68596

May 16, 2000

Mr. Dennis S. Engh, President Utah Clay Technologies 3985 S 2000 E Salt Lake City, Utah 84124

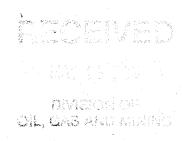
Dear Mr. Engh:

This letter acknowledges receipt of your notice of intent, received in this office on May 8, 2000, to amend existing notice UTU-68596, the White Mountain Kaolin Prospect, located 2 miles west of White Mountain. The area to be disturbed is located within portions of the SW¼NE¼SE¾ of section 8, T. 29 S., R. 13 W., Beaver County, Utah. The notice proposes changing the site status from mineral exploration to small mine operations and expanding site disturbance up to the 5-acre limit. Mining will be performed by bulldozer ripping of naturally occurring outcrops of kaolinite, loading of broken kaolinite into haul trucks, and trucking via existing access roads for off-site processing. The pre-existing access road, which is about two miles in length and connects the site with County-maintained roads, will be graded and repaired periodically but not substantially improved or widened.

The notice has been reviewed for compliance with regulations found at 43 CFR 3809 and possible conflicts with cultural resources, threatened or endangered (T & E) plants and animals, and land status. No conflicts were identified and the notice is in compliance with federal regulations. The notice has been accepted under file number UTU-68596. Please use this number in all future correspondence with this office.

A copy of the information provided in your notice has been forwarded to the Utah Division of Oil, Gas, and Mining (DOGM). DOGM has requested that we remind all operators that until the necessary permit fees have been received by their agency, they do not consider the work approved for start-up.

Surface management regulations (43 CFR 3809) require reclamation of all disturbed public land and that reasonable measures be taken to prevent unnecessary or undue degradation of the land. The operating practices and reclamation standards that are attached apply to the disturbances to be made under this notice. If your operations extend for more than a year, please advise us of the status of your mining or exploration activities on the anniversary of your notice.



As a reminder, your Blawn Wash kaolin prospect (BLM case file UTU-76365 and DOGM file # E/001/035), has remained disturbed and inactive in excess of the period allowed by BLM regulations and DOGM regulations for exploration activity. It will be necessary to either amend the notice to convert the site status to a small mining operation, or to initiate site reclamation.

If you have any questions, feel free to call me at (435) 865-3040.

Sincerely,

Ed Ginouves

Mining Engineer

En Tim



xc: Tom Munson, DOGM - with copy of notice UTU-68596, CCFO SOP's & RS

RECLAMATION STANDARDS

for

Exploration/Mining Activities in the Beaver River Resource Area, Cedar City Field Office

- 1. At the earliest feasible time, the operator will reclaim the area disturbed, except to the extent necessary to preserve evidence of mineralization and roads needed for continuing mineral exploration. Reclamation will include reasonable measures to prevent or control onsite and offsite damage of public lands.
- 2. Reclamation will include but not be limited to:
 - a. Saving topsoil (top 3 to 6 inches) for final application after reshaping of disturbed areas.
 - b. Controlling erosion, landslides, and water runoff.
 - c. Isolating, removing, or controlling toxic materials.
 - d. Reshaping disturbed areas, applying topsoil, and revegetating where reasonably practicable.
 - e. Controlling noxious weeds invading the site.
 - f. Rehabilitating fisheries and wildlife habitat.
- 3. Access roads, unless otherwise approved by the authorized officer, will be closed by reshaping the disturbed area to near original contours, scarifying where compaction prevents seed covering, and re-vegetating with the mixture specified below. Water bars will be placed on steep inclines and access blocked to future vehicular traffic.
- 4. Unless otherwise approved in the acceptance of the notice, all high walls or material piles will be re-contoured to slopes not steeper than 3:1 and re-vegetated using the recommended mixture.
- 5. Authorized pits with high walls in excess of 4 feet will be fenced or barricaded to protect unsuspecting public land users from injury. All shafts and adits will be covered or blocked to prevent unauthorized or accidental entry.
- 6. Seeding of disturbed areas will be done between September 30 and December 15. Seed should not be placed on top of deep snow. Seed beds will be prepared to a depth of 6 inches by ripping, discing, or harrowing. Seed will be planted with a rangeland or farm drill or broadcast seeded. If broadcast seeded, the seed will be harrowed or raked ¼ to ½ inch into the soil. The seed amount described below will be doubled if the area is broadcast seeded. The recommended seed mixture (grain) to be used on all disturbed areas if applied by a drill includes:

Blue-bunch wheatgrass Indian ricegrass (var. Nezpar) Smooth brome grass	2 lb / acre 1 lb / acre 1 lb / acre	The same state of the same sta
Pubescent wheatgrass Small Burnet	1 lb / acre 1 lb / acre	
Fourwing saltbush Bitterbrush Lewis Flax	1/2 lb / acre 1/2 lb / acre 1/2 lb / acre	ON CAS AND MANING
Palmer Penstemon	½ lb / acre	

- 7. All hazardous tailing dumps, materials or substances produced by the operation will be disposed of in accordance with applicable federal and state laws. All waste, debris, buildings, and materials will be removed from the site and deposited at appropriate waste facilities.
- 8. All dry drill holes will be plugged with uncontaminated native material to a depth of 5 feet. The top 5 feet will be plugged with cement. Drill holes which encounter water will also be cemented from at least 50 feet below to 50 feet above the saturated zone. The location, depth, and relative flow rate of any subsurface water encountered will be reported to the authorized officer.
- 9. Additional reclamation requirements may be needed on a case-by-case basis. These additional requirements will be issued by the authorized officer after consultation with the operator.
- 10. The authorized officer will be notified within 10 days of final reclamation.

STANDARD OPERATING PROCEDURES for Exploration/Mining Activities in the Beaver River Resource Area, Cedar City Field Office

- 1. Existing road access will be used whenever possible. Access will be planned for the minimum width needed for operations and will not exceed 16 feet in width. Roads will follow natural contours where practicable to minimize the nee for cut and fill. The cuts from construction or improvement of access will be less than 3 feet on the inside edge. The authorized officer will be notified of any exceptions before construction begins.
- 2. Disturbance of existing vegetation will be held to the minimum necessary for the operation. Large vegetation such as pinion and juniper trees will be avoided whenever possible.
- 3. If cultural resources are encountered, including all historic or prehistoric artifacts or structures, the operator will immediately suspend operations and report the findings to the BLM area or district office. It is the responsibility of the operator to ensure there is no removal or destruction of historic and prehistoric remains on public lands.
- 4. If an endangered species is encountered, the operator will avoid the species and immediately inform the BLM area office. Wild horses, wildlife and livestock will not be harassed.
- 5. All sites will be kept in a safe, clean, and environmentally stable condition. Any hazardous materials used in the operation must be pre-approved by BLM personnel and kept in approved safe containers. The BLM area or district office will be immediately notified of any spills or accidents involving hazardous materials.
- 6. Water from stock-water reservoirs, springs, and wells will not be used for operations unless prior approval has been granted by the individual or agency responsible for the water rights of the source.
- 7. All official survey monuments, witness corners, reference monuments, bearing trees, etc., will be protected against destruction, obliteration or damage. Current mining claim markers will also be protected. When mining or exploration activities are concluded, the operator will remove all operation survey markers, stakes, flagging, etc., which are not needed for ongoing activities.
- 8. Wet roads should be avoided when ruts of two inches or deeper will result from road use. The operator will be responsible for reconditioning public roads used under these conditions.



Cil, Cas and Mining